

Michael J. Farrell, OSB No. 902587

mfarrell@mbllglaw.com

David W. Cramer, OSB No. 113621

dcramer@mbllglaw.com

MB LAW GROUP, LLP

117 SW Taylor Street, Suite 200

Portland, OR 97204

Telephone: 503-914-2015

Facsimile: 503-914-1725

Attorneys for Defendants MTGLQ Investors, L.P.
and Rushmore Loan Management Services LLC

UNITED STATES DISTRICT COURT

DISTRICT OF OREGON

PORTLAND DIVISION

JOEL C. GROSHONG, an individual,

Plaintiff,

v.

MTGLQ INVESTORS, L.P., a Delaware
Limited Partnership, RUSHMORE LOAN
MANAGEMENT SERVICES, LLC, a foreign
Limited Liability Company, and JOHN DOES
1-5,

Defendants.

Case No. 3:23-cv-01348

NOTICE OF REMOVAL

TO THE CLERK OF THE COURT:

PLEASE TAKE NOTICE THAT, pursuant to 28 U.S.C. §§ 1332, 1441, and 1446,
defendants MTGLQ Investors, L.P. (“MTGLQ”) and Rushmore Loan Management Services LLC
(“Rushmore”) (collectively, “Defendants”), hereby remove this action, currently Case No.
23CV34905 in the Circuit Court of Washington County, Oregon. As grounds for removal,
Defendants state as follows:

I. INTRODUCTION

Plaintiff's lawsuit alleges a claim for declaratory judgment against defendants MTGLQ and Rushmore to stop a nonjudicial foreclosure sale.

II. BACKGROUND AND PROCEDURAL HISTORY

1. Plaintiff Joel C. Groshong filed his Complaint for declaratory relief in Washington County Circuit Court on August 28, 2023, Case No. 23CV34905.

2. The Summons and Complaint were served on MTGLQ on August 30, 2023.

3. The Summons and Complaint were also served on Rushmore on August 30, 2023.

4. Plaintiff's Complaint seeks a declaratory judgment preventing Defendants from foreclosing on his investment property and seeking to deprive Defendants of their rights in Plaintiff's Loan, which was made pursuant to a Note secured by a Deed of Trust in the original amount of \$189,600, of which no less than \$187,764.10 was declared to be due and owing through August 18, 2022. Based on the allegations in the Complaint, the amount in controversy exceeds \$75,000, as required by 28 U.S.C. § 1332(a).

5. Plaintiff sought and obtained a Temporary Restraining Order ("TRO") on August 29, 2023, temporarily restraining the nonjudicial foreclosure sale, which had been scheduled for September 19, 2023. The parties then submitted briefing on Plaintiff's Motion to Show Cause as to why a preliminary injunction should not issue, and a hearing on that motion was held on September 5, 2023. At that hearing, the court, with Defendants' consent, extended the effective date of the TRO until October 18, 2023, continued the Show Cause hearing to October 4, 2023, and an Order to that effect was entered. Defendants agree that the TRO shall remain in effect until such time as this Court conducts a hearing on Plaintiff's Motion to Show Cause and issues an order thereon.

III. PAPERS FROM REMOVED ACTION

6. Pursuant to 28 U.S.C. § 1446(a), all state court papers served on Defendants at the time of removal, consisting of the summons and complaint, and all other papers filed with the Washington County Circuit Court, consisting of the summons and proofs of service on Defendants, Plaintiff's Motion for Temporary Restraining Order and to Show Cause, along with supporting documents, Defendants' Response, and Plaintiff's Reply, as well as all orders of the Court, are attached hereto as Exhibits. The Exhibits hereto are numbered (and referred to herein) as follows:

- a. Exhibit 1: Plaintiff's Complaint and Exhibits;
- b. Exhibit 2: Plaintiff's Motion to Show Cause, Memorandum of Support, and Exhibits thereto;
- c. Exhibit 3: Declaration of Joel Groshong in Support of Motion;
- d. Exhibit 4: Declaration of Terry Scannell in Support of Motion;
- e. Exhibit 5: Order Granting TRO and to Show Cause;
- f. Exhibit 6: Defendants' Response to Plaintiff's Motion to Show Cause;
- g. Exhibit 7: Declaration of Anthony Younger in Support of Defendant's Response;
- h. Exhibit 8: Plaintiff's Reply in Support of Motion to Show Cause;
- i. Exhibit 9: Plaintiff's Motion to Strike the Declaration of Anthony Younger;
- j. Exhibit 10: Order Extending TRO until October 18, 2023.

IV. NOTICE OF REMOVAL IS TIMELY

7. This notice of removal is timely filed under 28 U.S.C. § 1446(b), which provides that a notice of removal must be filed within 30 days after defendant receives, by service or otherwise, the initial pleading. This removal is filed within thirty (30) days after the initial pleading

was filed on August 28, 2023, let alone when it was served on Defendants. Therefore, this removal is timely.

8. No previous request has been made for the relief requested.

V. DIVERSITY JURISDICTION EXISTS

9. This is a civil action over which this Court has original jurisdiction based on diversity of citizenship pursuant to 28 U.S.C. § 1332, which provides, in relevant part, that district courts have original jurisdiction over actions where the matter in controversy exceeds \$75,000, exclusive of interest and costs, and where the action is between citizens of different states, so long as all defendants who have been properly joined and served join in or consent to the removal of the action. This Notice of Removal is filed by both Defendants in the case.

10. Plaintiff is, on information and belief, an individual residing in Mississippi. (Exhibit 1, p. 42, (*In re Joel C. Groshong*, Case No. 11-02179-KMS, United States Bankruptcy Court for the Southern District of Mississippi, Jackson Division).

11. In the Ninth Circuit, “like a partnership, an LLC is a citizen of every state of which its owners/members are citizens. *Johnson v. Columbia Props. Anchorage, LP* 437 F.3d 894, 899 (9th Cir. 2006). MTGLQ is a Delaware limited partnership whose general partner is MLQ, LLC, and whose limited partner is The Goldman Sachs Group, Inc. (“GSG Inc.”), a publicly traded Delaware corporation with its principal place of business in New York. MLQ, LLC’s members are Goldman Sachs Global Holdings LLC, a Delaware limited liability company, and GSG Inc. Goldman Sachs Global Holdings LLC is a Delaware limited liability company whose members are Goldman Sachs & Co. LLC, a Delaware limited liability company, and GSG Inc. Goldman Sachs & Co. LLC’s member is GSG Inc. Therefore, MTGLQ’s ultimate member is a Delaware entity with its principal place of business in New York and all of MTGLQ’s members have citizenship diverse from Plaintiff.

12. Defendant Rushmore is a Delaware limited liability company that is directly owned by Sub1 DE LLC and Sub2 DE LLC, which are both Delaware limited liability companies. Sub1 DE LLC and Sub2 DE LLC are directly owned by Nationstar Mortgage LLC, which is a Delaware limited liability company. Nationstar Mortgage LLC is owned by Nationstar Sub1 LLC and Nationstar Sub2 LLC, which are both Delaware limited liability companies that are wholly owned by Nationstar Mortgage Holdings Inc., a Delaware corporation, which is wholly owned by Mr. Cooper Group Inc., a Delaware corporation. More than 10% of the stock of Mr. Cooper is owned by Blackrock, Inc., a Delaware corporation, and The Vanguard Group, Inc., a Pennsylvania corporation. Therefore, Rushmore's ultimate member is a Delaware entity and all of Rushmore's members have citizenship diverse from Plaintiff.

13. The total amount at stake in this lawsuit meets the threshold for diversity jurisdiction. Plaintiff's Complaint seeks a declaratory judgment preventing Defendants from foreclosing on his investment property and seeking to deprive Defendants of their rights in Plaintiff's Loan, which was made pursuant to a Note secured by a Deed of Trust in the original amount of \$189,600 (Exhibit 1, p. 20), of which no less than \$187,764.10 was declared to be due and owing through August 18, 2022. (Exhibit 1, p. 15). Therefore, the monetary requirement for diversity jurisdiction, as set forth under 28 U.S.C. § 1332, is satisfied.

14. This Court has power to hear declaratory actions under 28 U.S.C. § 2201.

VI. REMOVAL TO THIS DISTRICT IS PROPER

15. Pursuant to 28 U.S.C. §§ 1332, 1441, and 1446, removal of the above-captioned state court action to this court is appropriate.

16. Pursuant to 28 U.S.C. § 1441(a), removal to this court is appropriate as the district and division embracing the place where the state court action is pending.

17. Defendants will promptly serve Plaintiff with this Notice of Removal, informing Plaintiff that this matter has been removed to federal court. Defendants will also promptly file a

copy of this Notice of Removal with the Washington County Circuit Court, where the action is pending.

DATED: September 15, 2023.

MB LAW GROUP, LLP

s/ Michael J. Farrell

Michael J. Farrell, OSB No. 902587

David W. Cramer, OSB No. 113621

117 SW Taylor Street, Suite 200

Portland, OR 97204

Email: mfarrell@mblglaw.com

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Telephone: 503-914-2015

*Attorneys for Defendants MTGLQ Investors, L.P. and
Rushmore Loan Management Services LLC*